CSOs on the road to Busan:

Key messages and proposals

April 2011

BetterAid

This paper is a living document. We invite CSOs to propose comments and contributions, to be considered in the future when the paper is revisited.

CSOs can also sign on to the paper. Comments and signing on can be done via the BetterAid website : www.betteraid.org

CSOs are calling upon all development actors to achieve a bold forward-looking outcome at the Busan Fourth High Level Forum. Substantial progress in four inter-dependent areas of reform is essential for a meaningful and ambitious *Busan Compact on Development Effectiveness*:

A   Fully evaluate and deepen the Paris and Accra commitments;

B   Strengthen development effectiveness through practices based on human rights standards;

C   Support CSOs as independent development actors in their own right, and commit to an enabling environment for their work in all countries; and

D   Promote equitable and just development cooperation architecture.

Each area will require negotiated specific, time-bound and measureable commitments. When taken together, such commitments can build mutual trust, development partnerships and shared accountability for specific actions for both aid and development effectiveness impacts that advance the capacities of poor and highly vulnerable people to realize their rights and achieve the internationally agreed development goals (IADGs).
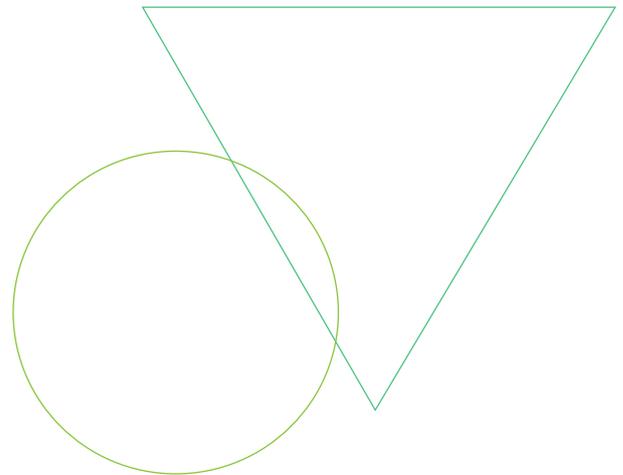
The international community will come together at the Busan High Level Forum, four short years before the 2015 target year for the Millennium Development Goals, having made only patchy progress on previous aid effectiveness commitments and efforts to achieve the IADGs over the past decade. Indeed many donors are now abandoning their aid volume promises and retrenching the capacities of their aid institutions. Despite deepening crises of global finance, climate change and food insecurity,

the responses of the international community are characterized by profound incoherencies between aid and development policies and those policies guiding trade, investment, debt or climate finance, which are key pillars for enhancing development to end global poverty.

Civil society organizations worldwide contribute in unique and essential ways to development as innovative agents of change and social transformation. Despite recognition in Accra as "development actors in their own right", many CSOs are facing policies and practices that are undermining or severely limiting their roles as development actors.

Nevertheless working as the Open Forum for CSO Development Effectiveness, CSOs have made substantial progress, in a global process in which hundreds of CSOs from more than 70 countries participated. In September 2010 CSOs agreed on the *Istanbul Principles* (see Annex Two) and will bring to Busan an *International Framework on CSO Development Effectiveness* to strengthen their own effectiveness in development.

CSOs represent a wide range of voices in development policy debates at country and global levels. As full members of the Working Party on Aid Effectiveness, BetterAid, an open platform for all CSOs participating in aid effectiveness processes, will bring forward a comprehensive agenda to Busan, for renewed partnerships for a more just development cooperation system. It will be one that focuses clearly on human rights standards, the centrality of poverty reduction, gender equality, social justice, decent work and environmental sustainability.

CSOs are calling upon development partners to …

A

Fully evaluate and deepen the Paris and Accra commitments through reforms based on democratic ownership

Redress the failure to make progress on Paris and Accra commitments:

Clearly set out the immediate and systemic reasons why more progress on the Paris and Accra commitments has not been achieved. The conclusions of the assessment of Paris and Accra commitments should be based on evidence from all stakeholders and point to key commitments in Busan to assure that prior undertakings are both met and deepened.
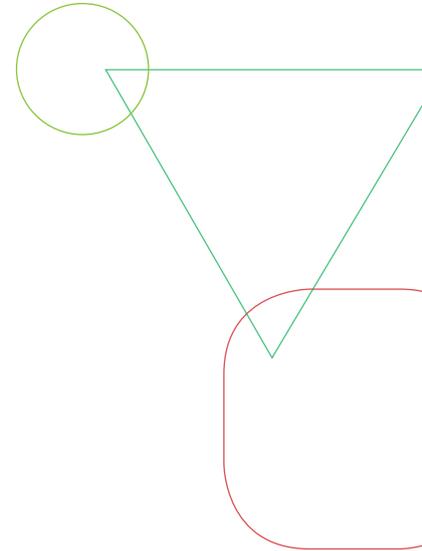
Carry forward and strengthen the Paris and Accra commitments through realizing democratic ownership in development cooperation:

Establish democratic ownership as the core aid and development effectiveness principle: Promote meaningful democratic ownership of development policies, planning and actions through full engagement with, and accountability to, all development stakeholders. Citizens' voices and their concerns and rights – from women and men, boys and girls – must be the primary basis for national development plans and actions. Democratic ownership requires strong governance institutions for participation and accountability, with particular attention to the rights of affected and vulnerable populations. Donors and governments should therefore assure protection of civil and political rights, with open and inclusive processes for engagement and accountability with CSOs, local government, parliamentarians, an open media and the private sector.

Give priority to inclusive multi-stakeholder policy dialogue: Carry out regular broad and inclusive multi-stakeholder country-level policy dialogues on development strategies, policies and programs, based on minimum standards and engage the diversity of development actors. Development partners must actively work to address the shrinking political space for civil society, and attacks on citizens and their organizations wishing to act and speak collectively.

Use country systems as the first option: Put into practice the Accra commitment to use country systems as the first option by donors in bilateral government-to-government cooperation. Donors must publicly justify with transparent criteria the reasons they choose not to use country systems. In this regard, they must increase the use of program-based approaches, negotiated with transparency and the

participation of all development actors, including local governments and parliaments. All development actors should promote participatory, accountable, and transparent country systems to prevent corruption, by signing, implementing and monitoring the UN Convention against Corruption. The use of country systems should fully respect the autonomy and independence of CSOs and should not be used as a justification for restrictions by government on CSO activity.

End policy conditionality: End donor policy conditions attached to aid negotiations and disbursements, including implicit and indirect policy conditions by International Financial Institutions, while fully respecting human rights covenants and conventions. Policy conditionality fundamentally undermines democratic ownership and the right to development. Scope for alternative and nationally developed policy choices should be guaranteed. Only fiduciary conditions, which are negotiated in a transparent and inclusive manner with mechanisms for public monitoring, ought to be attached to development assistance. Donor and partner governments share international human rights obligations to respect gender equality, women's rights, decent work, children's rights, the rights of indigenous people, and the rights of migrant people.

Fully untie all forms of aid: End all formal and informal practices of aid tying, including food aid and technical assistance, and give preference to local and regional procurement. Local procurement is a prerequisite for having a development impact on the growth of the national productive sector, as it means that more aid funds are retained in programme countries. Procurement policies should stress impacts on people living in poverty, social inclusion, environmental sustainability, and decent work, in compliance with ILO Conventions.

Implement demand-driven technical assistance: Make technical assistance fully demand-driven, responsive to country needs, ensuring an integrated human rights and gender equality perspective, with precedence given to indigenous expertise sourced through transparent and inclusive processes. Full transparency of the terms and conditions for technical assistance in aid agreements is essential for measurable indicators of demand-driven technical assistance.
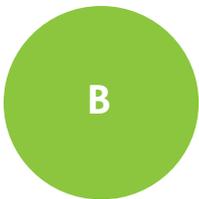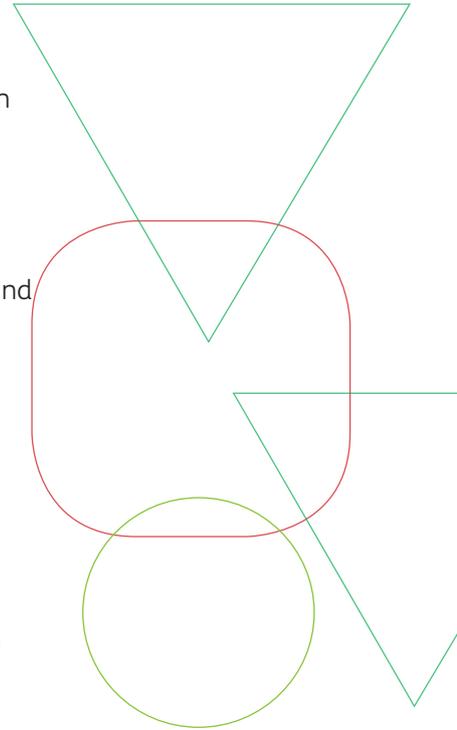
Address the unpredictability of aid flows: Deliver on the Accra commitment to improve aid predictability by delivering on predictable three to five year funding tranches. Much more progress on aid predictability is essential if governments are to implement long-term investments in their social systems and economy. A donor-agreed "division of labour" allocating donors between partner countries must not reduce aid levels for needy and difficult partnerships, and at the country level must be country-led.

Orient private sector development for self-sustaining livelihoods: Ensure private sector participation in development programs, respect democratic ownership and support internationally agreed development goals, sustainable development, decent work and human rights standards. Public funds, especially aid funds, should be prioritized for livelihood and productive economic development via cooperatives and small-scale enterprise, rather than for large for-profit initiatives. Private sector support should not undercut (i.e. through privatization conditionality) the legitimate and necessary role of the state in promoting the equitable provision of public goods and services for all.

Implement full transparency as the basis for strengthened accountability and good governance

Create and work with clear inclusive accountability frameworks at country and global levels: Accountability frameworks should be rooted in country-led processes and mechanisms, and based on the implementation of the UN Convention against Corruption and on strategies to promote good governance and reduce aid dependence. Development cooperation agreements must set out explicit and public targets for individual donors and governments, to which they can be held accountable. Effective democratic mechanisms for accountability require both parliamentary capacities for robust policy scrutiny and respect for the rights of all development actors, with full inclusion of primary stakeholders. Such mechanisms and capacities are essential for equitable and mutual donor/government accountability.
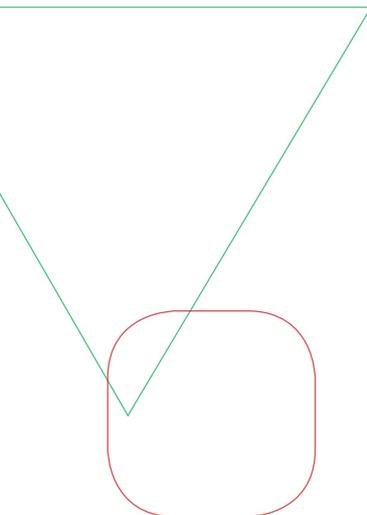
Adhere to and implement the highest standards of openness and transparency-applicable to all aid actors: Implement fully accessible aid transparency mechanisms, consistent with the International Aid Transparency Initiative (IATI) standards, and integrated with public budget accountability for all government resources for development. Aid and development effectiveness requires comprehensive, timely, gender-disaggregated and comparable aid information for developing country governments, fully accessible to all citizens in both donor and developing countries. CSOs are working with the *Istanbul Principles on CSO Development Effectiveness* and many country-specific and global initiatives to put in place standards for CSO transparency and accountability.

B | **Strengthen development effectiveness through development cooperation practices that promote human rights standards and focus on the eradication of the causes of poverty and inequality.**

Commit to and implement rights-based approaches to development:

Human rights standards include non-discrimination (for example, attention to the most marginalized people and people living in poverty), due diligence (systematically considering conditions affecting the capacities of people to claim their rights), participation and empowerment (enabling affected populations), the inter-dependence of rights (addressing economic, social and cultural rights) and democratic ownership (respect for political rights, accountability and transparency). Ratification of the Optional Protocol to the International Covenant of Economic, Social and Cultural Rights is essential for a rights-based approach.

Promote and implement gender equality and women's rights:

Place gender equality and women's rights at the center of achieving development effectiveness. Strengthen the implementation and monitoring of current gender equality and human rights obligations and commitments of donors and governments, and allocate dedicated resources for their realization. Policies and practices should not only focus on gender mainstreaming, but also on women's rights specific programming, where concrete time-bound targets, sex-disaggregated information, monitoring and accountability mechanisms are put in place, and capacities and resources for women's rights organizations are included. Supporting women's organizations and movements is key to advancing women's rights, gender equality and justice.

Implement the Decent Work Agenda as the cornerstone for socially inclusive and sustainable development strategies:

Carry out employment and livelihood- focused economic development strategies based on the recognition of social and economic rights, including social inclusion, protection and dialogue. Social and economic policies should address the needs for sustainable livelihoods in urban and rural settings and create access to resources, especially for the informal sector, for women, and vulnerable segments of society.

C

Affirm and ensure the participation of the full diversity of CSOs as independent development actors in their own right.

Endorse the *Istanbul Principles* and acknowledge the Open Forum's *International Framework on CSO Development Effectiveness* to put these *Principles* into practice:

Endorse the *Istanbul Principles* (see Annex Two) as a basis for context-specific assessment of CSO contributions to development and for donor and government policies that enable these contributions. The CSO-led Open Forum for CSO Development Effectiveness has elaborated the *International Framework on CSO Development Effectiveness*, with accompanying standards and indicators, to guide CSOs' ongoing voluntary efforts and strengthened accountability to work with these *Principles* in practice.

Agree on minimum standards for government and donor policies, laws, regulations and practices that create an enabling environment for CSOs:

Engage and work with CSOs to implement minimum standards, based on the *Istanbul Principles* and international human rights norms, to enable CSOs to reach their full

potential as development actors. CSOs increasingly confront measures by which they are harassed, intimidated and criminalized, undermining the development effectiveness of all development actors. All states are encouraged to cooperate with the recently appointed Special Rapporteur on the Freedom of Assembly and Association. Basic minimum enabling standards must be in keeping with international human rights guarantees, including freedom of association, freedom of expression, the right to operate free from unwarranted state interference, the right to communicate and cooperate, the right to seek and secure funding, and the state's duty to protect. Without a multi-stakeholder agreement to implement standards, it will be difficult for CSOs to be true to CSO development effectiveness principles.
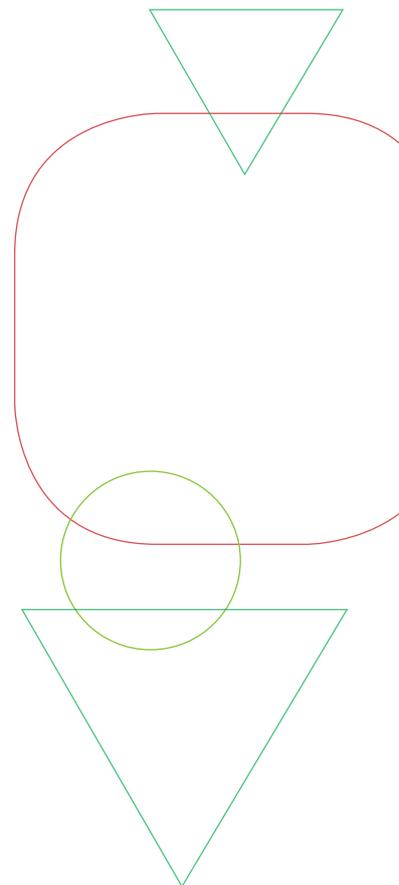
D — Promote equitable and just development cooperation architecture.

Launch an inclusive Busan Compact at HLF4, which brings together specific time-bound commitments and initiates fundamental reforms in the global governance of development cooperation:

Create an HLF4 Busan Compact, consistent with human rights conventions and covenants, which will include an independent and mandatory accountability mechanism for monitoring HLF4 commitments for aid and development effectiveness. The Busan Compact and its mandatory accountability mechanism will involve equally all stakeholders, partner governments, donors, multilateral institutions, parliamentarians, local governments and civil society.

Create an equitable and inclusive multilateral forum for policy dialogue and standard setting:

As an immediate successor to the Working Party on Aid Effectiveness, create an equitable and fully inclusive developing country-led multilateral forum. This forum will have a clear mandate for policy dialogue and standard-setting on development effectiveness and will take account of the important role of the United Nations in these areas. An equitable and just development architecture, based on sovereignty and policy coherence, should be rooted in a multilateral body that ensures legitimacy through membership of all development actors, with full representation of all developing country perspectives. In the preparations for Busan, an inter-institutional agreed division of labour between the Working Party on Aid Effectiveness and United Nations mechanisms, particularly the Development Cooperation Forum (DCF), is essential.

What are the BetterAid Platform and the Open Forum?

Coming out of Accra, the BetterAid Platform and the Open Forum for CSO Development Effectiveness are two distinct, yet complementary global CSO-led processes.

The BetterAid Platform:

BetterAid is a diverse global platform that brings together hundreds of civil society organizations (CSOs) that engage in development cooperation. It enables their voluntary pro-active participation in dialogue and policy influencing opportunities. BetterAid has its origins in the lead-up to the third High Level Forum on Aid Effectiveness in Accra (HLF3). At Accra, CSOs played a critical role. Their participation in the debate was primarily organized by the CSO International Steering Group (ISG) of the BetterAid Platform. After Accra, the ISG was renamed the BetterAid Coordinating Group (BACG). It facilitates the Platform and participates in the official process as full members of the Working Party on Aid Effectiveness.

BetterAid's objective is to monitor and influence the implementation of the Accra Agenda for Action (AAA) – with specific focus on issues in democratic ownership – while broadening the agenda to development effectiveness. The latter focuses attention on the impact of aid and development cooperation on democracy, human rights, social and gender justice, and includes proposals for reform of international development cooperation architecture.

Through regional and national workshops BetterAid has supported local CSOs to develop plans for monitoring and encouraging implementation of the Accra Agenda for Action. The BACG has developed policy position papers on a variety of related subjects that are available on its website – www.betteraid.org.

The Open Forum for CSO Development Effectiveness:

The Open Forum is a CSO-led global process, which was initiated prior to the 2008 Accra High Level Forum, to deepen CSO accountability to principles and guidelines that will improve CSO effectiveness as development actors. The Open Forum has held national consultations with hundreds of CSOs in over 60 countries in 2010. These consultations culminated with endorsement of the *Istanbul Principles for CSO Development Effectiveness* at the Open Forum's first Global Assembly in Istanbul in September 2010 (see Annex Three). Work is ongoing with CSO constituencies at country level on a *Draft Framework on CSO Development Effectiveness*, which includes guidelines, indicators and accountability mechanisms for the Principles that CSOs will be able to tailor to their country contexts.

The Open Forum also continues to engage in dialogue with donor and developing country government stakeholders around the world on the Forum's proposals, contained in the *Draft Framework,* for minimum standards for these actors to enable CSOs to realize development practices consistent with the *Istanbul Principles*. Following a second Global Assembly in 2011, an *International Framework on CSO Development Effectiveness* will be presented to the Busan High Level Forum in November. The Open Forum engages with members of the Working Party in its own right and through the BetterAid Platform. The *Principles and Draft Framework* are available on the Open Forum web site – www.cso-effectiveness.org.

Annex 2:

Definitions

Aid: BetterAid uses the term "aid" synonymously with "Official Development Assistance" (ODA). ODA is made up of concessional resource transfers for development and humanitarian assistance between a donor and a partner in a developing country. The donors meeting in the OECD Development Assistance Committee have established the specific criteria for determining whether a particular resource transfer can be considered ODA. While CSOs can receive ODA, ODA does not include direct resource transfers by civil society organizations or other non-state actors. Similarly, developing country donors, who are not members of the DAC, also provide development assistance, most of which currently is not reported to the DAC, and is not included in ODA.

Development Cooperation: Development cooperation is sometimes used inter-changeably with "aid" or "development assistance", but includes more than ODA resource transfers. BetterAid uses "development cooperation" to include a range of international relationships between governments or people for the purposes of achieving the Internationally-Agreed Development Goals (IADGs) in developing countries. It can include civil society cooperation and growing cooperation between developing countries (South-South Cooperation) for the purposes of development.

Aid Effectiveness: Aid effectiveness relates to measures that improve the quality of the aid relationship, primarily focusing on the terms and conditions of the resource transfer itself. The Paris Declaration defined five principles that should guide official donors and developing country governments to improve the effectiveness of this resource transfer.

Development Effectiveness: Development effectiveness promotes sustainable change, within a democratic framework, that addresses the causes as well as the symptoms of poverty, inequality and marginalization, through the diversity and complementarity of instruments, policies and actors. Development effectiveness in relation to aid is understood as policies and practices by development actors that deepen the impact of aid and development cooperation on the capacities of poor and marginalized people to realize their rights and achieve the IADGs. Conditions for realizing development effectiveness goals must include measureable commitments to improve the effectiveness of aid.

Internationally-Agreed Development Goals:
The IADGs are a set of specific goals, many with concrete time-bound targets, which form the United Nations Development Agenda. They summarize the major commitments of the UN global summits held since 1990 on different aspects of global development challenges. Some of these commitments were combined in the *Millennium Declaration* adopted by all governments as the Millennium UN Summit in 2000. The IADGs include the eight specific Millennium Development Goals (MDGs), but are a much broader set of objectives. The latter include challenges of economic growth at country level, equitable social progress, decent work, sustainable development, human rights (including women's rights children's' rights, indigenous peoples rights), global economic governance, trade, debt and migration.

Development Cooperation Architecture:
Development cooperation architecture refers to the established systems and institutions of global governance for development cooperation. Among these current structures are the OECD Development Assistance Committee (DAC), the informal Working Party on Aid Effectiveness (WP-EFF) (facilitated by the Secretariat at the DAC), and the United Nations Development Cooperation Forum (UN DCF), which is a biennial multi stakeholder Forum within the UN Economic and Social Council (ECOSOC) aiming at providing an inclusive platform for dialogue on aid effectiveness and international development issues. But other multilateral bodies also play important roles in development cooperation architecture, such as the World Bank and regional development banks, other UN bodies, the G20, the IMF and the European Union, or should play more important roles, such as the UN Human Rights Council.

Istanbul Principles for CSO Development Effectiveness[1]

1 The Istanbul Principles, as agreed at the Open Forum's Global Assembly in Istanbul, September 28 -30, 2010, are the foundation of the Open Forum's Draft *International Framework on CSO Development Effectiveness*. These principles are further elaborated in Version 2 of this *Framework*, which is being updated and will be found on the Open Forum's web site, www.cso-effectiveness.org.

Civil society organizations are a vibrant and essential feature in the democratic life of countries across the globe. CSOs collaborate with the full diversity of people and promote their rights. The essential characteristics of CSOs as distinct development actors – that they are voluntary, diverse, non-partisan, autonomous, non-violent, working and collaborating for change – are the foundation for the Istanbul principles for CSO development effectiveness. These principles guide the work and practices of civil society organizations in both peaceful and conflict situations, in different areas of work from grassroots to policy advocacy, and in a continuum from humanitarian emergencies to long-term development.

Respect and promote human rights and social justice

CSOs are effective as development actors when they … develop and implement strategies, activities and practices that promote individual and collective human rights, including the right to development, with dignity, decent work, social justice and equity for all people.

Embody gender equality and equity while promoting women and girl's rights

CSOs are effective as development actors when they … promote and practice development cooperation embodying gender equity, reflecting women's concerns and experience, while supporting women's efforts to realize their individual and collective rights, participating as fully empowered actors in the development process.

Focus on people's empowerment, democratic ownership and participation

CSOs are effective as development actors when they … support the empowerment and inclusive participation of people to expand their democratic ownership over policies and development initiatives that affect their lives, with an emphasis on the poor and marginalized.

Promote Environmental Sustainability

CSOs are effective as development actors when they … develop and implement priorities and approaches that promote environmental sustainability for present and future generations, including urgent responses to climate crises, with specific attention to the socio-economic, cultural and indigenous conditions for ecological integrity and justice.

Practice transparency and accountability

CSOs are effective as development actors when they … demonstrate a sustained organizational commitment to transparency, multiple accountability, and integrity in their internal operations.

Pursue equitable partnerships and solidarity

CSOs are effective as development actors they … commit to transparent relationships with CSOs and other development actors, freely and as equals, based on shared development goals and values, mutual respect, trust, organizational autonomy, long-term accompaniment, solidarity and global citizenship.

Create and share knowledge and commit to mutual learning

CSOs are effective as development actors they … enhance the ways they learn from their experience, from other CSOs and development actors, integrating evidence from development practice and results, including the knowledge and wisdom of local and indigenous communities, strengthening innovation and their vision for the future they would like to see.

Commit to realizing positive sustainable change

CSOs are effective as development actors when they … collaborate to realize sustainable outcomes and impacts of their development actions, focusing on results and conditions for lasting change for people, with special emphasis on poor and marginalized populations, ensuring an enduring legacy for present and future generations.

Guided by these Istanbul principles, CSOs are committed to take pro-active actions to improve and be fully accountable for their development practices. Equally important will be enabling policies and practices by all actors. Through actions consistent with these principles, donor and partner country governments demonstrate their Accra Agenda for Action pledge that they "share an interest in ensuring that CSO contributions to development reach their full potential". All governments have an obligation to uphold basic human rights – among others, the right to association, the right to assembly, and the freedom of expression. Together these are pre-conditions for effective development.

Istanbul, Turkey
September 29, 2010